

## Message Text

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PAGE 01 MANILA 08749 251142Z

43

ACTION XMB-04

INFO OCT-01 EA-06 ISO-00 EB-07 COME-00 TRSE-00 ERDA-05

OES-03 FEAE-00 L-03 /029 W

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R 251007Z JUN 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4839

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E.O. 11652: GDS

TAGS: EFIN, ETRD, ENRG, RP

SUBJECT: NUCLEAR POWER -- EXIM FINANCING

1. EXECUTIVE SECRETARY MELCHOR REPORTS THAT PHIL TEAM HAS RETURNED FROM RECENT WASHINGTON TALKS WITH EXIM BEARING VERY BLEAK PROSPECTS OF NUCLEAR POWER FINANCING. IN TECHNICAL TALKS BETWEEN REVANZO AND SAUER, MELCHOR STATES PROPOSAL WAS PUT FORWARD BY EXIM TO (A) FINANCE ONLY 30 PERCENT OF U.S. GOODS AND SERVICES; (B) PERMIT EFFECTIVELY ONLY ONE UNIT TO BE BASED ON EXIM FUNDING; OR (C) REQUIRE SUCH WIDE SPACING IN TIME (OVER 18 MONTHS) THAT TWO UNIT PACKAGE SAVINGS WOULD NOT BE POSSIBLE; AND (D) ADD AN EXTRA 1/4 POINT CHARGE ON THAT THE COST EXIM GUARANTEED PORTION OF FINANCING. MELCHOR CONCLUDES AMORTIZATION PROBLEMS ALREADY FACED BY THIS PROJECT ARE COMPOUNDED BY THE PROSPECT OF THE LARGE RATIO OF COMMERCIAL FINANCING TO TOTAL COST MADE NECESSARY BY THE VERY LIMITED EXIM PARTICIPATION.

2. COMMENT AND ACTION REQUESTED: EMBASSY UNDERSTANDS THAT DUE TO GLOBAL COST/PRICE CHANGES EXIM MAY FIND THIS PROJECT A RATHER LARGE CALL ON TOTAL RESOURCES. SUCH WILL BE TRUE FOR ANY NUCLEAR PROJECT AT THIS TIME. IT IS EVEN SO, A CONSIDERABLE DISAPPOINTMENT TO THIS EMBASSY, AFTER THE LONG AND SOMETIMES PAINFUL EFFORT WE HAVE MADE TO SECURE GOP'S NUCLEAR POWER BUSINESS, TO LEARN THAT OUR BEST OFFER IS AT THE POOREST END OF WHAT PHILS REASONABLY

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PAGE 02 MANILA 08749 251142Z

WERE LED IN EXIM CORRESPONDENCE TO EXPECT. IT IS

SALT IN THAT WOULD TO PERCEIVE THAT SUCH AN OFFER -- THE FIRST  
WE REALLY HAVE MADE -- IS PROBABLY NON-COMPETITIVE AT THE  
START. IF DEPARTMENT OR EXIM CAN SHED MORE FAVORABLE LIGHT  
ON OUR COMPETITIVE PROSPECTS THAN FOREGOING ALLOWS, EMBASSY  
WOULD BE DELIGHTED. ON THEORY THAT SUCH IS NOT SO, HOWEVER,  
WOULD APPRECIATE  
ANY INDICATIONS AS TO HOW OUR OFFER MIGHT BE MADE PALATABLE  
ENOUGH TO OVERCOME DEEP AND HIGH LEVEL GOP DISAPPOINTMENT,  
AND, OF COURSE, TO SECURE THIS VERY LARGE PIECE OF BUSINESS  
FOR U.S. FIRMS.  
PURNELL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR ENERGY, LOANS, NUCLEAR POWER PLANTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA08749  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
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**Film Number:** D750220-0591  
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**Handling Restrictions:** n/a  
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**Line Count:** 72  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION XMB  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Subject:** NUCLEAR POWER -- EXIM FINANCING  
**TAGS:** EFIN, ETRD, ENRG, RP, XMB  
**To:** STATE  
**Type:** TE  
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